

First Union Rail Corporation

One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018-4214
847 318-7575
Fax 847 318-7588

RECORDATION NO. 21055 FILED

DEC 15 '97

9-59 AM

**FIRST
UNION®**

VIA FEDERAL EXPRESS

December 10, 1997

Surface Transportation Board
Attn: Jan Fort
1925 K Street, N.W.
Room 704
Washington, D.C. 20423-0001

Re: Memorandum of Lease Agreement

Dear Ms. Fort:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301 (a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated February 26, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents. The names and addresses of the parties to the enclosed document are:

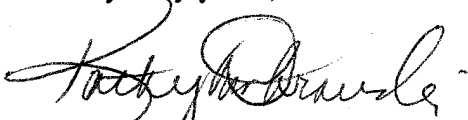
Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Portland General Electric Company
121 S.W. Salmon Street
Portland, OR 97204

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned.

Very truly yours,



Kathy Dombrowski
Manager-Documentation

Enclosures
(PLGE001)

DEC 15 '97

9-59 AM

PLGE001

Memorandum of Lease

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 26th day of February, 1997, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Portland General Electric ("Lessee"), an Oregon Corporation.

W I T N E S S E T H:

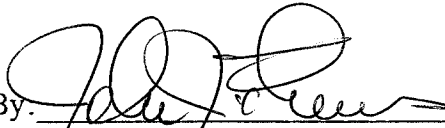
The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of February 26, 1997, whereby Lessor has agreed to lease to Lessee certain railcars being described in more particular on Exhibit A attached hereto, effective as of the date set forth above and subject to the terms, conditions and provisions of said Lease.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: Name: JOHN J. THOMASTitle: PRESIDENTBy: Name: ROBERT C. HAMILTONTitle: DIRECTOR - DOCUMENTATION Executed on this 18th day of Nov., 1997.

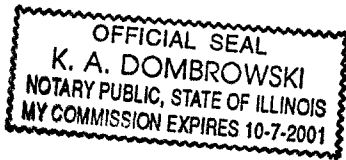
[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, K. A. Dombrowski, a Notary Public of the County and State
aforesaid, certify that JOHN J. THOMAS personally appeared before me this day and
acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 18th day of NOVEMBER,
1997.



K. A. Dombrowski
Notary Public

My Commission Expires:

10/7/2001
(Notary Public)

LESSEE:

PORTLAND GENERAL ELECTRIC

ATTEST:

By: [Signature] DRN

Name: Richard E. Dyer

Title: Sr. Vice President, Power Supply

By: [Signature]

Name: Steven McCarrel

Title: Assistant Secretary

Executed on this 10th day of October, 1997.

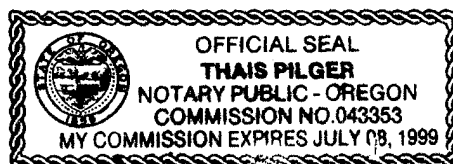
[CORPORATE SEAL]

STATE OF Oregon

COUNTY OF Multnomah

I, Thais Pilger, a Notary Public of the County and State aforesaid, certify that Richard Dyer personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 8 day of October, 1997.



Thais Pilger
Notary Public

My Commission Expires:

7/18/99
(Notary Public)

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